eniro

INTERIM REPORT 2018

Q2 | 18

JANUARY–JUNE

SECOND QUARTER: APRIL–JUNE 2018

- Total operating revenue amounted to SEK 363 M (445), a decrease of 18%. Excluding Print, which was discontinued during 2017, total operating revenue decreased 13%.
- EBITDA amounted to SEK 61 M (61). The EBITDA margin was 16.8% (13.7%).
- Net income for the period was SEK -13 M (-25).
- Earnings per ordinary share for the period were SEK -0.21 (-3.89) before and after dilution.
- At the end of the quarter, more than 75% of the customers in Sweden, Norway and Denmark was included in the new scalable business model based on subscription-based contracts.
- Eniro Finland acquired Finnish Elisa's outsourcing operations in customer service and corporate switchboards. The acquisition strengthens Eniro's position as the leading developer and provider of customer service solutions in Finland.

HALF YEAR: JANUARY–JUNE 2018

- Total operating revenue amounted to SEK 717 M (877), a decrease of 18%. Excluding Print, which was discontinued during 2017, total operating revenue decreased 14%.
- EBITDA decreased by 9% to SEK 109 M (120). The EBITDA margin was 15.2% (13.7%).
- Net income for the period was SEK -10 M (-76).
- Earnings per ordinary share for the period were SEK -0.18 (-13.45) before and after dilution.
- Operating costs, were under the first half year SEK 145 M lower than corresponding period last year, largely due to the completed cost saving program.

SEK M	Apr-Jun 2018	Apr-Jun* 2017	Jan-Jun 2018	Jan-Jun* 2017	Jul-Jun 2017/18	Jan-Dec* 2017
Operating revenue	363	**445**	717	877	1,489	1,649
EBITDA	61	**61**	109	120	215	226
Adjusted EBITDA	60	**88**	109	154	251	296
Operating income	22	**6**	31	-35	52	-14
Net income for the period	-13	**-25**	-10	-76	190	124
Cash flow from operating activities	20	**-6**	9	4	10	5
Interest-bearing net debt excluding convertible bond and pension obligations	-630	**-1,248**	-630	-1,248	-630	-575

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Eniro is a leading search company for individuals and businesses in the Nordic region. With quality-assured content and an unrivaled user experience, Eniro inspires local discoveries and makes local communities thrive. Eniro's content is available through Internet and mobile services, directory assistance and SMS services. Each week Eniro Group's digital services have 8 million unique visitors. Eniro Group has about 1,700 employees and operations in Sweden, Norway, Denmark, Finland and Poland. The company is listed on Nasdaq Stockholm [ENRO] and headquartered in Stockholm. More on Eniro at enirogroup.com.

CEO's comments

New settlement with lenders

During the quarter, a solution was negotiated with the banks and a consortium of shareholders to buy out the banks from the bank agreement. A settlement was reached whereby the banks will sell their claims on Eniro at a substantial discount but with certain additional terms to the independent company Beata Intressenter. At the same time, Eniro reached an agreement with Beata Intressenter to replace the bank loan with a bond loan and, in consequence, will receive additional credit of more than SEK 60 M The bond loan will have an extended maturity in relation to current bank loans and expire without amortization. All interest, 20% for the entire maturity, is paid on the maturity date of the bond. Ordinary shareholders will be offered an opportunity to subscribe to a bond, whereby the bank receivables acquired by Beata Intressenter will be converted into a bond loan.

This entails a substantial improvement for Eniro in terms of both covenants and limitations entailed in the current bank agreement and offers significant liquidity improvements both initially and throughout the period. It also offers the company a respite to enable it to focus on implementing the transformation the company is currently undertaking.

The offer to Eniro's shareholders involves subscribing to a bond that uses the previous bank debt as a receivable on Eniro but at a substantial discount. The bond will expire at the end of 2021 offering an interest rate during the final year of 20%, corresponding to about 6% interest per year for the term to maturity.

Finances and new business in place

The migration to a subscription business is complete in Sweden. Migration in Denmark is scheduled to be largely finalized early in the third quarter. Norway will be complete in the fourth quarter. The sales mission is totally different when customers are subscribers and Eniro will gain completely new opportunities in terms of additional sales to existing customers and acquiring new customers. This transition in approach requires new skills and new ways of working. Following a tentative start, we are now seeing progress, with every member of the sales team gradually improving their ability to raise the order intake. When communication with customers works, the offering has had a positive reception and business is growing. The challenge now is to gain an insight into the whole customer base and the opportunities Eniro's new business can offer each customer as a result of the transition to the new offering. Order intake and revenue have still not begun to recover, even if the decline is slowing.

Transformation complete in autumn 2018

The transformation of Eniro will be complete in autumn 2018. From its position as an advertising sales company, with the "Yellow Pages" as its principal product, Eniro will become a company that offers a wide range of digital marketing to the SME segment, an offering that includes the expansive players Google and Facebook, packaged in a simple and accessible manner. Eniro offers both searchability, which characterized Eniro in the past, and active external advertising through banners and Facebook advertisements.

Eniro has the potential to grow through its strong offer. When the transformation is completed, our entire customer base will comprise subscribers and our legacy systems, which were an obstacle to the modernization of Eniro, will have been discontinued.

Finland, Poland and B2B

Operations in B2B, Poland and Finland (Voice) are developing in line with, or better than, our expectations.

In Finland, a highly interesting acquisition took place of Elisa's entire Contact Center operations, representing a very favorable deal that will help to boost sales, earnings and cash flow for Eniro. This acquisition also means our Finnish business will become less dependent on the declining market for number information services.

Sales and earnings

Operating revenue for the second quarter amounted to SEK 363 M (445), corresponding to a decline of 18% compared with the same period a year ago. EBITDA for the second quarter amounted to SEK 61 M (61). However, the work to reduce the cost base remains successful and the EBITDA margin amounted to 16.8% (13.7%).

Outlook

An improved financial position, a new offering and a new business model are providing Eniro with good opportunities to turn around many years of declining sales and to participate in the strong performance of the digital marketing segment through a modern, effective offering that can provide our customers with a simple and powerful channel for their marketing resources.

Kista, August 14, 2018

Örjan Frid, President and CEO

Second quarter results 2018

Revenue
Operating revenue for the second quarter amounted to SEK 363 M (445), a decrease of 18%.

Currency effects on revenue were SEK 13 M (13).

Geographically, operating revenue is broken down into Sweden SEK 123 M (166), Norway SEK 87 M (116), Denmark SEK 50 M (74), Finland SEK 51 M (38), and Poland SEK 52 M (51).

IFRS 15
Eniro has applied the new accounting standard IFRS 15 (Revenue from Contracts with Customers) as of January 2018.

Eniro has applied a retroactive transition period, with the opening balance established on January 1, 2017 and the comparative year restated in accordance with IFRS 15.

For further information, see Note 1 Accounting Policies.

Digital search
Digital search includes the Desktop/Mobile search and Complementary digital marketing products revenue categories. Eniro's Desktop/Mobile search services are among the most visited sites in their respective markets and include eniro.se, gulesider.no, krak.dk, dgs.dk and panoramafirm.pl along with the mobile apps, including Eniro's local search app, *Eniro Navigation* and "*Eniro På Sjön*". Eniro's sites: proff.se, proff.no and proff.dk contain business information. Eniro's advertisers pay for rankings and exposure on hit lists. In Complementary digital marketing products, Eniro offers, for example, advertising solutions via third-party suppliers such as Google and Bing, display advertising via external networks and website products.

Operating revenue from Digital search amounted to SEK 285 M (339), a decrease of 16%. Of operating revenue, SEK 242 M (295) came from Desktop/Mobile search and SEK 43 M (44) from Complementary digital marketing products.

Eniro's new strategy and business model entail that Eniro will proceed from mainly offering exposure through its own channels to working with its customers' presence in all digital channels. The aim is to become the marketing partner for small and medium-size companies.

The transition to the new strategy of a broadened product offering and subscription-based contracts continues. During the quarter, Sweden, Norway and Denmark collectively passed the milestone of more than 75 % of their customer base changing to the new, broader product offering and to subscription-based contracts.

In the preceding year, Finland initiated sales of digital search under the 0100100 trademark. During the start-up, this operation was jointly recognized with Voice. Since the business has grown, it has now been separated and is recognized under digital search. For correct comparison, the segment information for 2017 has been adjusted.

Market and traffic
Digital marketing currently accounts for approximately 50% of the media market in Sweden and according to IRM's forecasts for 2018, the expectation is that this will grow further by more than 10%. During Q2 2018, the majority of Eniro's sites had a continued stable traffic trend. Each week, Eniro's sites in Sweden, Norway, Denmark and Poland have about eight million unique visitors. This creates favorable conditions for Eniro's future development.

New business model
Eniro's new strategy and business model entail that Eniro will proceed from mainly offering exposure through its own channels to working with its customers' presence in all digital channels. The aim is to become the marketing partner for small and medium-size companies. These companies often lack the time and knowledge to be able to market them digitally. By supplementing Eniro's traditional Desktop/Mobile search digital services with "*Närvarokollen*", a product from our partner Yext, and other partner products such as Google AdWords/Bing Ads in Complementary digital marketing products, Eniro can help the customer to optimize their investment, thereby generating the best possible result.

In addition, the new business model is subscription based. The goal is that the sales staff will be able to increase focus on demonstrating the strength and advantages of Eniro's new offering to both new and existing customers.

Sales and customer base development
During Q2 2018, the customer base trend has remained negative. The total number of customers for "*Digital search*" in the three Scandinavian countries amounted to approximately 90,000.

The new product offering was well received by our customers. One assumption is that the new, broader product offering, with subscription-based contracts, will have a positive impact on the customer base trend. The first indications of the development of subscription agreements will be evaluated during Q3.

The sales organization has successively been adapted to meet new conditions with a new offering, new business model and a more value-generating approach. The aim is to create greater confidence and loyalty among customers. In this change, it has been necessary to implement several structural changes and we can now face 2018 with a more efficient organization and a focus on growth, competence and customer value.

Voice
In "*Voice*", Eniro offers directory information via phone calls and text messaging (SMS), and certain contact center activities. In Sweden, Eniro is the market leader with its 118 118 directory information service. In addition to this, incoming phone calls are handled for other companies. In Finland, apart from the 0100100 directory information service, Eniro has a contact center operation that provides switchboard services and customer service

on a contract basis. Under the second quarter, Eniro has acquired outsourcing operations in customer service and response services in Finland, thereby strengthening Eniro´s position in the market. In Norway, Eniro is the majority owner of "*1880 Nummeropplysningen AS*" (the 1880 and 1888 directory information services).

Operating revenue from Voice amounted to SEK 78 M (77), an increase of 1%, as a result of the Finnish acquisition.

Market volumes for directory information services continue to decline in pace with increased digitalization. The contact center operation that Voice conducts on a contract basis for customers in Finland is growing and partly compensating for the decline in directory information services, which is also the case in Sweden to some extent.

Cost saving program

A cost saving program, aimed at reducing costs in 2018, was implemented in December 2017. The program continued to generate results during the second quarter of 2018.

Operating income

EBITDA for the Group was SEK 61 M (61), corresponding to an EBITDA margin of 16.8% (13.7%). EBITDA is broken down as follows: SEK 49 M (78) pertained to Local search, SEK 20 M (6) pertained to Voice, and SEK -8 M (-23) pertained to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -303 M (-382), where expenses for the period include SEK 1 M (-27) in items affecting comparability. Of these, SEK 0 M (-4) pertained to restructuring costs and SEK 0 M (-11) pertained to advisory costs mainly concerning Eniro's and SEK 0 M (-12) pertained to costs pursuant to Eniro's loss of a dispute in the arbitration board against Fonecta in Finland After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 60 M (88), a decrease of 32%. The adjusted EBITDA margin was 16.5% (19.8%).

After amortization and impairment losses totaling SEK -39 M (-55), consolidated operating income amounted to SEK 22 M (6).

Amortization and impairment losses

The Group's total amortization amounted to SEK -37 M (-46) during the second quarter of 2018. Amortization of the *Gule Sider* trademark totaled SEK -15 M (-14) and the amortization of the Krak trademark totaled SEK -3 M (-3).

Considering the decision to discontinue publication of printed directories during 2017, the useful life of the Ditt Distrikt trademark has been changed. The trademark that was fully amortized by end of first quarter 2017, was amortized by SEK -53 M. The remaining amortization of SEK -19 M (-29) consists mainly of amortization of capitalized costs for product development.

As per June 30, a new impairment test of the value of the Group's intangible assets was performed. Considering the expected decline in profitability of the Voice business, the impairment test has been updated quarterly to take the shift in cash flows into account. This resulted in the recognition of impairment in Voice Norway of SEK -2 M (9). Further impairment of goodwill pertaining to Voice is likely as higher cash flows in real time are replaced by lower future cash flows. Eniro's outcome regarding EBITDA is otherwise in line with the forecast that served as the basis for the impairment test, which is why no further need to recognize impairment of goodwill is deemed to exist. Refer also to Note 5.

Net financial items

Net financial items amounted to SEK -11 M (-38). The strong improvement is a result of the reduction in bank debt, combined with a lower interest-rate level. Exchange rate differences affected net financial items by SEK 3 M (-3).

Income before tax, and reported tax

Income before tax amounted to SEK 11 M (-32). Reported tax totaled SEK -24 M (7).

Net income for the period and earnings per ordinary share

Net income for the period was SEK -13 M (-25). Earnings per ordinary share were SEK -0.21 (-3.89) before and after dilution.

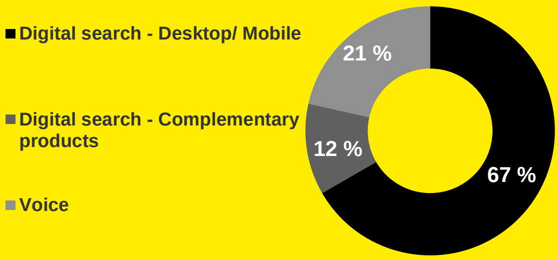
REVENUE Q2 2018

SEK **363** M

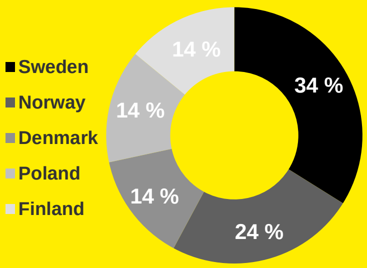
EBITDA Q2 2018

SEK **61** M

GROUP REVENUE PER CATEGORY Q2 2018



GROUP REVENUE PER COUNTRY Q2 2018



First half-year results 2018

Revenue
Operating revenue for the amounted to SEK 717 M (877), a decrease of 18%.

Currency effects on revenue were SEK 19 M (25).

Geographically, operating revenue is broken down into Sweden SEK 251 M (331), Norway SEK 179 M (237), Denmark SEK 100 M (134), Finland SEK 85 M (73), and Poland SEK 102 M (102).

IFRS 15
Eniro has applied the new accounting standard IFRS 15 (Revenue from Contracts with Customers) as of January 2018.

Eniro has applied a retroactive transition period, with the opening balance established on January 1, 2017 and the comparative year restated in accordance with IFRS 15.

For further information, see Note 1 Accounting Policies.

Digital search
Operating revenue from Digital search amounted to SEK 575 M (683), a decrease of 16%. Of operating revenue, SEK 492 M (599) came from Desktop/Mobile search and SEK 83 M (84) from Complementary digital marketing products.

Voice
Operating revenue from Voice amounted to SEK 142 M (151), a decrease of 6%.

Operating income
EBITDA for the Group was SEK 109 M (120), corresponding to an EBITDA margin of 15.2% (13.7%). EBITDA is broken down as follows: SEK 98 M (137) pertained to Local search, SEK 27 M (22) pertained to Voice, and SEK -16 M (-39) pertained to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -612 M (-757), where expenses for the period include SEK 0 M (-34) in items affecting comparability. Of these, SEK -1 M (-5) pertained to restructuring costs and SEK 0 M (-17) pertained to advisory costs mainly concerning Eniro's and SEK 0 M (-12) pertained to costs pursuant to Eniro's loss of a dispute in the arbitration board against Fonecta in Finland.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 109 M (154), a decrease of 29%. The adjusted EBITDA margin was 15.2% (17.6%).

After amortization and impairment losses totaling SEK -78 M (-155), consolidated operating income amounted to SEK 31 M (-35).

Amortization and impairment losses
The Group's total amortization amounted to SEK -76 M (-146) during the first half-year of 2018. Amortization of the *Gule Sider* trademark totaled SEK -29 M (-29) and the amortization of the Krak trademark totaled SEK -6 M (-6).

Against the background of the decision to discontinue publication of printed directories during 2017, the useful life of the *Ditt Distrikt* trademark has been changed. During the first quarter 2017, the trademark was amortized by SEK -53 M, after which the trademark has been fully amortized. The remaining amortization of SEK -41 M (-58) consists mainly of amortization of capitalized costs for product development.

Net financial items
Net financial items amounted to SEK -25 M (-74). The strong improvement is a result of the reduction in bank debt, combined with a lower interest-rate level. Exchange rate differences affected net financial items by SEK 3 M (-5).

Income before tax, and reported tax
Income before tax amounted to SEK 6 M (-109). Reported tax totaled SEK -16 M (33).

Net income for the period and earnings per ordinary share
Net income for the period was SEK -10 M (-76). Earnings per ordinary share were SEK -0.18 (-13.45) before and after dilution.

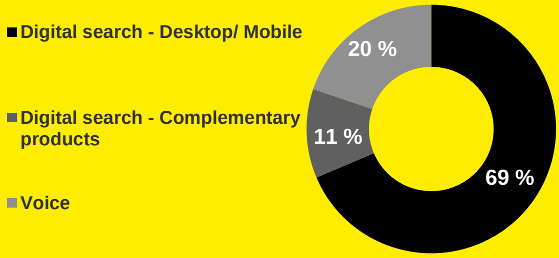
REVENUE YTD 2018

SEK 717 M

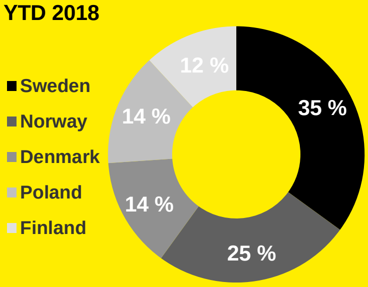
EBITDA YTD 2018

SEK 109 M

GROUP REVENUE PER CATEGORY YTD 2018



GROUP REVENUE PER COUNTRY YTD 2018



Operating revenue by category and operating segment

SEK M	Apr-Jun 2018	Apr-Jun 2017*	%	Jan-Jun 2018	Jan-Jun 2017*	%	Jul-Jun 2017/18	Jan-Dec 2017*
Desktop/Mobile search**	242	295	-18	492	599	-18	1,023	1,130
Complementary digital marketing products	43	44	-2	83	84	-1	172	173
Digital search	***285***	***339***	**-16**	***575***	***683***	**-16**	***1,195***	***1,303***
Print	-	29	-100	-	43	-100	7	50
Local search	**285**	**368**	**-23**	**575**	**726**	**-21**	**1,202**	**1,353**
Voice**	78	77	1	142	151	-6	287	296
Total revenue	**363**	**445**	**-18**	**717**	**877**	**-18**	**1,489**	**1,649**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers
** Retrospective split in 2017 between Local search and Voice for the operation in Finland

Reconciliation of operating income and adjusted EBITDA

SEK M	Apr-Jun 2018	Apr-Jun 2017*	%	Jan-Jun 2018	Jan-Jun 2017*	%	Jul-Jun 2017/18	Jan-Dec 2017*
Operating income	22	6	267	31	-35	189	52	-14
Depreciation/amortization	37	46		76	146		158	228
Impairment losses	2	9		2	9		5	12
Total EBITDA	**61**	**61**	**0**	**109**	**120**	**-9**	**215**	**226**
Whereof Local search**	49	78	-37	98	137	-28	189	228
Whereof Voice**	20	6	233	27	22	23	67	62
Whereof Other	-8	-23	65	-16	-39	59	-41	-64
EBITDA margin %	***16.8***	***13.7***		***15.2***	***13.7***		***14.4***	***13.7***
Items affecting comparability								
Restructuring costs	0	4		1	5		27	31
Other items affecting comparability	-1	23		-1	29		9	39
Total adjusted EBITDA	**60**	**88**	**-32**	**109**	**154**	**-29**	**251**	**296**
Adjusted EBITDA margin %	***16.5***	***19.8***		***15.2***	***17.6***		***16.9***	***18.0***

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers
** Retrospective split in 2017 between Local search and Voice for the operation in Finland

Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Note	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
Borrowing		-863	-1,476	-828
Finance lease		-9	-11	-10
Other current interest-bearing receivables		0	0	0
Other non-current interest-bearing receivables 1)		213	200	212
Cash and cash equivalents		29	39	51
Interest-bearing net debt excluding convertible bond and pension obligations		**-630**	**-1,248**	**-575**

1) Included in financial assets. SEK 200 M pertains to pledged bank funds for future pension obligations, referred to as an enhanced pension guarantee. The remaining amount pertains to pledged bank funds as a security for leases in Norway and Finland and as guarantee against Volvo Finans.

Cash flow and financial position

Financial position

Total assets in the Group amounted to SEK 3,386 M (3,385), a decrease of 4%.

Intangible assets amounted to SEK 2,625 M (2,609), of which SEK 2,067 M (2,002) pertained to goodwill.

The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK 630 M (1,248) as per June 30.

The Group's indebtedness, expressed as interest-bearing net debt excluding the convertible bond and pension obligations in relation to EBITDA, was 2.9 (4.2) as of June 30.

As per June 30, the Group's outstanding net debt under existing credit facilities was NOK 199 M (199), DKK 42 M (46) and SEK 626 M (1,242). At the end of the period, Eniro had an unutilized credit facility of SEK 19 M (68). Cash and cash equivalents and unutilized credit facilities amounted to SEK 48 M (107).

The convertible bond is reported at cost and amounted to SEK 26 M (222) as per June 30.The nominal debt at the same point in time was SEK 29 M (261), entailing that 471 (239) of the total 500 convertibles have been converted to ordinary shares.

The Group's pension obligations amounted to SEK 550 M (456) at June 30. In 2016, Eniro changed over to paying periodic premiums for defined benefit pension plans in Sweden, entailing no new additional vesting.

Eniro has credit insurance with *PRI Pensionsgaranti* (PRI) which remains in force until [December 31, 2018]. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). Eniro pledged SEK 0 M (11) during the half-year 2018. As per June 30, 2018, total pledged funds amounted to SEK 200 M (200), including returns.

Prepaid revenue amounted to SEK 451 M (527) at the end of the quarter. Prepaid revenue arises mainly in the Desktop/Mobile search segments, where certain customers pay one year in advance, and in Print in Sweden, where customers paid in advance, but the revenue was not recognized until the directories had been printed and distributed. The 14% decrease compared with June 30, 2017, is mainly attributable to lower sales, but also to the decision to discontinue the print business.

Cash flow

Cash flow from operating activities was SEK 9 M (4). Lower EBITDA of SEK 109 M (120) and a negative change in working capital of SEK -49 M (-8), whereof SEK -20 M (7) exchange rate effect, were countered by lower financial items of SEK -6 M (-20) continued low tax payments of SEK -16 M (-13) and lower other non-cash items of SEK -25 M (-46), which mainly pertain to changes in provisions.

Eniro's tax payments are made mainly during the first half of the year. Eniro has loss-carry forwards in Sweden, Denmark, Finland and Poland, which is why tax payments have been low.

Cash flow from investing activities amounted to SEK -52 M (-20), where net investments in operations amounted to SEK -52 M (-20).

Cash flow from financing activities amounted to SEK 23 M (8). During the half-year, new borrowing amounted to SEK 34 M (34), while amortizations totaled SEK -20 M (0). Payment of dividends on preference shares amounted to SEK 0 M (-12) pursuant to a 2017 AGM resolutions not to pay dividends on preference shares. Long-term investments remains unchanged at SEK 0 M (-11), which pertains to pledged funds for continued credit insurance with *PRI Pensionsgaranti*. Dividends to minority shareholders amounted to SEK -3 M (3).

Cash flow for the period amounted to SEK -20 M (-8).

Acquisitions/divestments

In May 2018, Eniro Finland acquired Elisa Oyj's outsourcing operations within customer service and corporate switchboards. Eniro's operations in Tampere and Turku were thereby strengthened by about 60 employees. Customer service solutions is a core business for Eniro Finland. Services include customer service for corporations and organizations, technical support, answering services for corporations, social media moderation, sales and customer management – in all channels, where and when necessary. The acquisition strengthens Eniro's position as the leading developer and provider of customer service solutions in Finland. Eniro's customer service solutions in Finland are marketed under the Sentraali brand.

Parent Company

Operating revenue amounted to SEK 9 M (11), which pertains to intra-Group services. Income for the period was SEK -11 M (-30). At June 30, the Parent Company's equity amounted to SEK 1,426 M (535), of which unrestricted equity amounted to SEK 229 M (4).

Shares and holdings of treasury shares

As of June 30, the total number of shares was 66,784,611, of which 61,687,125 are ordinary Class A shares, 4,838,709 are ordinary Class B shares and 258,777 are preference shares. The total number of votes as per June 30, was 62,196,876.6, of which ordinary Class A shares correspond to 61,687,125 votes, ordinary Class B shares correspond to 483,870.9 votes and preference shares to 25,877.7 votes.

Upon full dilution resulting from conversion to shares, the number of shares will amount to a maximum of 67,250,294.

Eniro held 17,037 treasury shares on June 30, 2018, of which 17,034 are ordinary Class A shares and 3 are ordinary Class B shares. The average holding of treasury shares during the period was 17,037.

Other information

Dividend
The Annual General Meeting 2018, decided not pay any dividends – neither for ordinary nor preference shares.

Annual Report 2017
Eniro's 2017 Annual Report is available on the company's website www.enirogroup.com.

Employees
Full-time employees at the end of the period

	Jun. 30 2018	Jun. 30 2017
Sweden	230	302
Norway	157	218
Denmark	119	133
Poland	549	576
Local search including Other	**1,055**	**1,229**
Sweden	62	98
Norway	23	26
Finland	254	168
Voice	**339**	**292**
Total Group	**1,394**	**1,521**

Risks and uncertainties
Eniro conducts risk analysis in an annual Enterprise Risk Management (ERM) process, covering all parts of the business operations. A detailed description of factors that could affect Eniro's business, financial position and results is provided in the 2017 Annual Report, pages 35-37.

Other risks and uncertainties in the annual risk analysis that are judged to potentially affect the Group's performance in 2017 are related to high personnel turnover and recruitment difficulties, a negative media image affecting customers, higher competition from global actors in local search, a lack of digital expertise among the sales representatives, difficulties in conveying customer benefit, delays in the ongoing implementation of joint CRM and finance systems and liquidity and financing risks.

New Board
The Annual General Meeting on April 25, 2018 resolved in accordance with the Nomination Committee's recommendations to re-elect Board member Joachim Berner and to elect Johnny Sommarlund, Henrik Salwén and Magdalena Bonde as new Board members. The Meeting also resolved to elect Joachim Berner as Chairman of the Board.

Extraordinary General Meeting on August 15
Further to the Board's proposal concerning a) the repurchase of preference shares through the acquisition offer, b) the directed new issue of Class A ordinary shares to holders of preference shares, and c) the directed new issue of Class A ordinary shares to holders of convertibles, the Board has convened an Extraordinary General Meeting to be held on August 15 at 3:00 p.m. in Helio's premises at Kistagången 12 in Kista, Stockholm. Registration for the Meeting will open at 2:00 p.m. Shareholders wishing to attend must be registered in the share register maintained by Euroclear Sweden AB by Thursday, August 9, 2018, and also notify the Company of their intention to attend the Meeting not later than Thursday, August 9, 2018.

Events after the end of the reporting period
Eniro's bank loans to be replace by bond loan

The Board of Directors and some shareholders of Eniro AB (publ) ("Eniro") have drawn up a financing solution essentially entailing that Eniro's current bank loans will be replaced by a bond loan, and Eniro will simultaneously receive a liquidity injection.

The bonds will initially be subscribed for by Tedde Jeansson through Beata Intressenter AB ("Beata Intressenter") and thereafter offered primarily to Eniro's ordinary shareholders. The bonds will be offered at a substantial discount (approximately 32.87 per cent of the bond loan's nominal value). The discount is made possible by Beata Intressenter's agreement with Eniro's lending banks to purchase the bank loans at a discount. The bond is guaranteed by a guarantee consortium.

The financing solution entails that all of Eniro's current bank loans, with a nominal value of SEK 925 million, will be converted into a bond loan with no negative effects on liquidity in the form of repayment or coupon payments until the end of 2021, supplemented with additional financing of approximately SEK 63.75 million. Combined with a possible agreement with the Pensions Registration Institute (PRI) regarding secured funds for the company's pension obligations, which is expected to provide Eniro with additional proceeds of approximately SEK 25 million over a period of two years, the best conditions will be created for Eniro to devote its full attention to the company's business in the coming years.

The Board of Eniro also proposes the Extraordinary General Meeting on August 15, to renew the conversion offerings to holders of preference shares or convertible bonds respectively, enabling them to convert their instruments into Class A ordinary shares and thereby participate in the new financing solution by also being able to purchase bonds with priority from Beata Intressenter.

Eniro will publish a prospectus relating to the conversion offerings on August 17 and a prospectus relating to the bond offering on September 3.

Review report

This six-month report has been reviewed by our auditors.

Disclosure

The information in this report is such that Eniro AB (publ) is obligated to disclose pursuant to EU Market Abuse Regulation. This information was submitted for publication, by agency of the contact persons below, at 8:30 CET on August 14, 2018.

Kista, August 14, 2018

Örjan Frid

President and CEO

FOR FURTHER INFORMATION, PLEASE CONTACT:

Örjan Frid
President and CEO
Tel.: +46-8-553 310 00

Fredrik Sandelin
CFO
Tel.: +46-8-553 310 00

FINANCIAL CALENDAR

Interim report Jan-Sep 2018	October 30, 2018
Year-end report 2018	February 2019

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Eniro AB corporate identity number 556588-0936, as of June 30, 2018, and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, August 14, 2018

PricewaterhouseCoopers AB

Michael Bengtsson

Authorized Public Accountant

Consolidated accounts

Consolidated income statement

SEK M	Note	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
Operating revenue		**363**	**445**	**717**	**877**	**1,489**	**1,649**
Production costs		-100	-112	-192	-213	-391	-412
Sales costs		-123	-144	-258	-304	-529	-575
Marketing costs		-26	-32	-53	-118	-104	-169
Administration costs		-52	-83	-107	-144	-234	-271
Product development costs		-39	-57	-78	-124	-183	-229
Other income/costs		1	-2	4	0	9	5
Impairment of non-current assets		-2	-9	-2	-9	-5	-12
Operating income	2	**22**	**6**	**31**	**-35**	**52**	**-14**
Financial items, net		-11	-38	-25	-74	162	113
Income before tax		**11**	**-32**	**6**	**-109**	**214**	**99**
Income tax		-24	7	-16	33	-24	25
Net income		**-13**	**-25**	**-10**	**-76**	**190**	**124**
Of which, attributable to:							
Owners of the Parent Company		-14	-26	-12	-78	185	119
Non-controlling interests		1	1	2	2	5	5
Net Income		**-13**	**-25**	**-10**	**-76**	**190**	**124**
Earnings per ordinary share before dilution, SEK	3	-0.21	-3.89	-0.18	-13.45	4.60	10.09
Earnings per ordinary share after dilution, SEK	3	-0.21	-3.89	-0.18	-13.45	4.55	10.09
Average number of ordinary shares after deduction of treasury shares before dilution and adjusted for bonus issue effect on new issue, 000s **		66,423	6,692	66,326	6,692	40,178	10,606
Average number of ordinary shares after deduction of treasury shares after dilution and adjusted for bonus issue effect on new issue, 000s **		66,888	8,229	66,791	8,229	40,644	11,073
Preference shares on closing date, 000s		259	1,000	259	1,000	259	259

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

** During the period, a merger of shares at the 1: 100 conditions has been implemented, so the comparative figures of previous periods have been recalculated

Consolidated statement of comprehensive income

SEK M	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
Net income	**-13**	**-25**	**-10**	**-76**	**190**	**124**
Other comprehensive income						
Items that cannot be reclassified to income statement						
Revaluation of pension obligations	-68	13	-35	-31	-104	-100
Tax attributable to revaluation pension obligations	15	-3	8	7	23	22
Total	**-53**	**10**	**-27**	**-24**	**-81**	**-78**
Items that have been or can be reclassified to the income statement						
Exchange rate differences	19	-1	69	-5	79	5
Hedge of net investments	-8	5	-23	8	-22	9
Tax attributable to hedge of net investments	2	-1	5	-2	5	-2
Total	**13**	**3**	**51**	**1**	**62**	**12**
Other comprehensive income, net after tax	***-40***	***13***	***24***	***-23***	***-19***	***-66***
Total comprehensive income	**-53**	**-12**	**14**	**-99**	**171**	**58**
Of which, attributable to:						
Owners of the Parent Company	-55	-12	8	-99	163	56
Non-controlling interests	2	0	6	0	8	2
Total comprehensive income	**-53**	**-12**	**14**	**-99**	**171**	**58**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Consolidated balance sheet

SEK M	Note	Jun. 30 2018	Jun. 30 2017*	Dec. 31 2017*
Assets				
Non-current assets				
Tangible assets		16	24	20
Intangible assets	5	2,625	2,609	2,548
Deferred tax assets		172	123	165
Financial assets		259	247	258
Total non-current assets		**3,072**	**3,003**	**2,991**
Current assets				
Accounts receivable - trade		167	196	163
Current tax assets		15	26	14
Other current receivables		103	121	107
Other interest-bearing receivables		0	0	0
Cash and cash equivalents		29	39	51
Total current assets		**314**	**382**	**335**
TOTAL ASSETS		**3,386**	**3,385**	**3,326**
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital		1,197	531	1,192
Additional paid in capital		5,829	5,554	5,829
Reserves		-266	-325	-313
Retained earnings		-5,744	-5,533	-5,702
Shareholders' equity, owners of the Parent Company		**1,016**	**227**	**1,006**
Non-controlling interests		42	39	39
Total Shareholders' equity		**1,058**	**266**	**1,045**
Non-current liabilities				
Borrowing		784	9	760
Convertible bond		26	222	26
Deferred tax liabilities		134	114	124
Pension obligations		550	456	520
Provisions		0	0	0
Other non-current liabilities		25	0	0
Total non-current liabilities		**1,519**	**801**	**1,430**
Current liabilities				
Accounts payable - trade		57	56	60
Current tax liabilities		0	5	8
Prepaid revenues		451	527	469
Other current liabilities		204	246	216
Provisions		9	6	20
Borrowing		88	1,478	78
Total current liabilities		**809**	**2,318**	**851**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,386**	**3,385**	**3,326**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Consolidated statement of changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity, owners of the Parent Company	Non-controlling interest	Total equity
Opening balance, January 1, 2017 as originally presented	**531**	**5,554**	**-328**	**-5,331**	**426**	**42**	**468**
Change of accounting principle *	-	-	-	-100	-100	-	**-100**
Restated opening balance, January 1, 2017	**531**	**5,554**	**-328**	**-5,431**	**326**	**42**	**368**
Change of accounting principle *	-	-	-	28	28	-	**28**
Total comprehensive income	-	-	3	-130	-127	0	**-127**
Dividend non-controlling interest	-	-	-	-	-	-3	**-3**
Restated closing balance, June 30, 2017	**531**	**5,554**	**-325**	**-5,533**	**227**	**39**	**266**
Opening balance, January 1, 2017 as originally presented	**531**	**5,554**	**-328**	**-5,331**	**426**	**42**	**468**
Change of accounting principle *	-	-	-	-100	-100	-	**-100**
Restated opening balance, January 1, 2017	**531**	**5,554**	**-328**	**-5,431**	**326**	**42**	**368**
Change of accounting principle *	-	-	-	48	48	-	**48**
Total comprehensive income	-	-	15	-7	8	2	**10**
Reduction of share capital	-436	-	-	436	0	-	**0**
Set-off issue	259	187	-	-296	150	-	**150**
Set-off issue of issue expenses	49	-	-	-24	25	-	**25**
Cash issue	668	-	-	-390	278	-	**278**
Cash issue, issue expenses	-	-	-	-55	-55	-	**-55**
Cash issue, deferred tax issue expenses	-	-	-	12	12	-	**12**
Conversion of convertible bonds	121	88	-	5	214	-	**214**
Dividend non-controlling interest	-	-	-	-	-	-5	**-5**
Restated closing balance, December 31, 2017	**1,192**	**5,829**	**-313**	**-5,702**	**1,006**	**39**	**1,045**
Closing balance, December 31, 2017 as originally presented	**1,192**	**5,829**	**-313**	**-5,650**	**1,058**	**39**	**1,097**
Change of accounting principle*	-	-	-	-52	-52	-	**-52**
Restated Closing balance, December 31, 2017 / Opening balance, January 1, 2018	**1,192**	**5,829**	**-313**	**-5,702**	**1,006**	**39**	**1,045**
Total comprehensive income	-	-	47	-39	8	6	**14**
Set-off issue of issue expenses	5	-	-	-3	2	-	**2**
Dividend non-controlling interest	-	-	-	-	-	-3	**-3**
Closing balance, June 30, 2018	**1,197**	**5,829**	**-266**	**-5,744**	**1,016**	**42**	**1,058**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Consolidated statement of cash flows

SEK M	Note	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
Operating income		**22**	**6**	**31**	**-35**	**52**	**-14**
Adjustments for							
Depreciation, amortization and impairment		39	55	78	155	163	240
Capital gain/loss and other non-cash items		-11	-1	-25	-46	-13	-34
Financial items, net		-4	-29	-10	-49	-100	-139
Income tax paid		-10	-6	-16	-13	-8	-5
Cash flow from operating activities before changes in working capital		**36**	**25**	**58**	**12**	**94**	**48**
Changes in working capital		-16	-31	-49	-8	-84	-43
Cash flow from operating activities		**20**	**-6**	**9**	**4**	**10**	**5**
Investments in non-current assets, net		-42	-12	-52	-20	-66	-34
Cash flow from investing activities		**-42**	**-12**	**-52**	**-20**	**-66**	**-34**
Proceeds from borrowings		22	9	34	34	65	65
Repayment of borrowings		-5	-	-10	-	-293	-283
Long-term investments		-	0	-	-11	-	-11
Dividend on preference shares		-	0	-	-12	-	-12
Dividend non controlling interests		0	-3	-3	-3	-5	-5
Rights issue		2	-	2	-	280	278
Cash flow from financing activities		**19**	**6**	**23**	**8**	**47**	**32**
Cash flow for the period		**-3**	**-12**	**-20**	**-8**	**-9**	**3**
Cash and cash equivalents at start of period		**33**	**51**	**51**	**48**	**39**	**48**
Cash flow for the period		-3	-12	-20	-8	-9	3
Exchange rate differences in cash and cash equivalents		-1	0	-2	-1	-1	0
Cash and cash equivalents at end of period		**29**	**39**	**29**	**39**	**29**	**51**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Parent Company accounts

Income statement

SEK M	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul-Jun 2017/18	Jan-Dec 2017
Operating revenue	**5**	**6**	**9**	**11**	**14**	**16**
Administration costs	-12	-30	-25	-51	-55	-81
Other income/costs	-1	0	-1	0	-1	0
Operating income	**-8**	**-24**	**-17**	**-40**	**-42**	**-65**
Financial items, net	2	-32	3	-7	314	304
Income before tax	**-6**	**-56**	**-14**	**-47**	**272**	**239**
Income tax	1	10	3	17	-7	7
Net income	**-5**	**-46**	**-11**	**-30**	**265**	**246**

Balance sheet

SEK M	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
Non-current assets	1,502	2,528	1,499
Current assets	34	132	60
TOTAL ASSETS	**1,536**	**2,660**	**1,559**
Shareholders' equity	1,426	535	1,435
Provisions	73	76	73
Non-current liabilities	27	2,019	26
Current liabilities	10	30	25
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,536**	**2,660**	**1,559**

Notes to the consolidated accounts

Note 1 Accounting policies

Group

This quarterly report has been prepared in accordance with IAS 34. The term "IFRS" in this document comprises the application of IAS and IFRS, as well as the interpretation of these recommendations as published by the IASB's Standards Interpretation Committee (SIC) and the IFRS Interpretations Committee (IFRIC). The application of the accounting policies corresponds with those contained in the Annual Report for the financial year ended December 31, 2016 and should be read in combination with these.

New and amended standards and interpretations applicable as of January 1, 2017.

There is no significant difference between IFRSs applicable on December 31, 2017, and IFRSs as adopted by the EU. None of the new or amended standards and interpretations as introduced from January 1, 2017, had any material impact on the company's financial statements.

Standards to be applied in the half-year of 2018.

IFRS 15

Contract Costs

Eniro's sales commission meets the criteria to be recognized as contract costs, since they are costs that Eniro would not have incurred if the contract had not been secured. The amortization period initially adopted was 12 months; the amortization period will be reviewed regularly.

Eniro recognizes Work in progress for both Print and Online products. Work in progress for Online products does not meet the criteria for comprising a Contract Cost in accordance with IFRS 15.

Choice of transition method and exceptions

Eniro is applying a retroactive transition method, with an opening balance established on January 1, 2017 and the comparative year restated in accordance with IFRS 15.

Since Eniro's customers pay for certain services in advance, some of Eniro's contracts contain a financing component. Eniro has chosen to apply the practical exception and not adjust the transaction price for the effects of a financing component because the period between the transfer of service and payment is one year or less. (IFRS 15p 63).

The retroactive application of IFRS 15 in Q1 2017, has in the Income Statement resulted in improved Operating Revenue of SEK 2 M, deduced Operating Expense of SEK -3 M which gave a positive impact on operating Profit Before Tax of SEK 5 M and reduced Tax expense of SEK -6 M which gave a total improvement of Net Income of SEK 11 M. The application of IFRS 15 in Q1 2017, has in the Balance Sheet resulted in an increase of Work I Progress with SEK 23 M, increased Deferred Tax Assets net of SEK 37 M, a negative effect on Shareholder´s Equity, Closing Balance of SEK -89 M, increased Prepaid Revenues of SEK 137 M and increased Staff Accruals of 11 MSEK. The total effect has affected the segment Local Search only.

The difference in relation to the preliminary estimate (-75) derives from the effects of deferred tax.

The application of IFRS 15 in Q1 2017, has in the Income Statement resulted in improved Operating Revenue of SEK 2 M, which distributed among the following markets:

SEK M	Jan-Jun 2017
Sw eden	18
Norw ay	2
Denmark	3
Finland	-
Poland	-2
Total Group	**21**

IFRS 9 Financial instruments

The complete version of IFRS 9 replaces most of the guidance contained in IAS 39. IFRS 9 updates classification, recognition and impairment testing of financial assets, and places new requirements in the application of hedge accounting. The Group will apply IFRS 9 retroactively as of the required application date, January 1, 2018, and will not restate comparative information.

The transition to IFRS 9 is estimated to have only a marginal impact on the Group's financial position.

Note 2 Segment information

Eniro reports its financial results distributed among the Local search and Voice business areas. Local search has cross-border functions for Products & Technology (formerly Digital Solutions), Sales and Marketing (formerly Nordic Sales), Human Resources, and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization.

	Local search				Voice			
SEK M	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*
Operating revenue								
Sweden	100	134	203	268	23	32	48	63
Norway	78	106	161	217	9	10	18	20
Denmark	50	74	100	134	-	-	-	-
Finland**	5	3	9	5	46	35	76	68
Poland	52	51	102	102	-	-	-	-
Total	**285**	**368**	**575**	**726**	**78**	**77**	**142**	**151**
Adjusted EBITDA	**49**	**82**	**98**	**141**	**20**	**12**	**28**	**28**
Items affecting comparability[1)]	0	-4	0	-4	-	-6	-1	-6
EBITDA	**49**	**78**	**98**	**137**	**20**	**6**	**27**	**22**
Depreciation/amortization	-35	-44	-72	-143	-4	-11	-6	-12
Operating income	**14**	**34**	**26**	**-6**	**16**	**-5**	**21**	**10**
Net financial items								
Taxes								
Net income for the period								

	Other				Total			
SEK M	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*
Operating revenue								
Sweden	-	-	-	-	**123**	**166**	**251**	**331**
Norway	-	-	-	-	**87**	**116**	**179**	**237**
Denmark	-	-	-	-	**50**	**74**	**100**	**134**
Finland**	-	-	-	-	**51**	**38**	**85**	**73**
Poland	-	-	-	-	**52**	**51**	**102**	**102**
Total	**-**	**-**	**-**	**-**	**363**	**445**	**717**	**877**
Adjusted EBITDA	**-9**	**-6**	**-17**	**-15**	**60**	**88**	**109**	**154**
Items affecting comparability[1)]	1	-17	1	-24	**1**	**-27**		**-34**
EBITDA	**-8**	**-23**	**-16**	**-39**	61	61	109	120
Depreciation/amortization	0	0	0	0	**-39**	**-55**	**-78**	**-155**
Operating income	**-8**	**-23**	**-16**	**-39**	**22**	**6**	**31**	**-35**
Net financial items					**-11**	**-38**	**-25**	**-74**
Taxes					**-24**	**7**	**-16**	**33**
Net income for the period					**-13**	**-25**	**-10**	**-76**

[1)] Items affecting comparability consists of restructuring costs. In addition to restructuring costs, 2017 also includes advisory costs.

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

** Retrospective split in 2017 between Local search and Voice for the operation in Finland

Note 3 Earnings per share

Earnings per ordinary share before dilution

Earnings per share before dilution are calculated as income for the period attributable to owners of the Parent Company less the set dividend on preference shares for the period, divided by the average number of ordinary shares, excluding treasury shares, before dilution and adjusted for bonus issue effect on new issue.

Earnings per ordinary share after dilution

In calculating earnings per share after dilution, the average number of shares is adjusted for the effects of the potential dilution of ordinary shares associated with the convertible bond and the warrant program. This entails that earnings per share after dilution are calculated by dividing income for the period attributable to owners of the Parent Company plus interest expense after tax pertaining to the convertible loan, less the set dividend on preference shares for the period, by the average number of ordinary shares, excluding treasury shares, after full conversion and adjusted for bonus issue effect on new issue.

SEK M	Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
Earnings attributable to owners of the Parent Company	-14	-26	-12	-78	185	119
Dividend established for cumulative preference shares during the period	-	-	-	-12	-	-12
Earnings used for calculating earnings per ordinary share, before dilution	**-14**	**-26**	**-12**	**-90**	**185**	**107**
Cupon rate for convertible bonds	0	3	0	6	0	6
Earnings used for calculating earnings per ordinary share, after dilution	**-14**	**-23**	**-12**	**-84**	**185**	**113**
Average number of ordinary shares after deduction of treasury shares before dilution and adjusted for bonus issue effect on new issue, 000s **	66,423	6,692	66,326	6,692	40,178	10,606
Adjustments for the calculation of earnings per ordinary share after dilution:						
- Convertible bonds **	208	1,338	208	1,338	208	209
- Warrants **	257	199	257	199	257	257
Average number of ordinary shares after deduction of treasury shares after dilution and adjusted for bonus issue effect on new issue, 000s **	66,888	8,229	66,791	8,229	40,644	11,073
Earnings per ordinary share before dilution, SEK	-0.21	-3.89	-0.18	-13.45	4.60	10.09
Earnings per ordinary share after dilution, SEK [1]	-0.21	-3.89	-0.18	-13.45	4.55	10.09
Preference shares on closing date, 000s	259	1,000	259	1,000	259	259

[1] As earnings per ordinary share after dilution , in April-June 2017 and Jan-June 2017, resulted in a reduced loss, and Jan-Dec 2017 an increased profit, the ordinary shares did not have any dilution effect.

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

** During the period, a merger of shares at the 1: 100 conditions has been implemented, so the comparative figures of previous periods have been recalculated

Note 4 Financial instruments by category

Assets and liabilities on the balance sheet SEK M	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
Loans and accounts receivables			
Non-current assets			
Interest-bearing receivables, blocked bank funds	213	200	212
Current assets			
Accounts receivable - trade and other receivables	176	209	176
Cash and cash equivalents	29	39	51
TOTAL	**418**	**448**	**439**
Other financial liabilities			
Non-current liabilities			
Borrowing	777	0	752
Convertible bond	26	222	26
Finance lease	7	9	8
Current liabilities			
Borrowing	86	1,476	76
Finance lease	2	2	2
Accounts payable - trade	57	56	60
TOTAL	**955**	**1,765**	**924**

Note 5 Goodwill

SEK M	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
At start of year	2,006	2,018	2,018
Reclassifications	-	-	-
Impariment loss for the year	-2	-9	-12
Exchange rate difference	63	-7	0
Carrying amount	**2,067**	**2,002**	**2,006**

Impairment testing of goodwill and trademarks with indefinite useful life

Accumulated impairment losses for goodwill amounted to SEK -2 M (-9) as per June 30. The impairment losses stem from the impairment testing of the value of the Group's intangible assets.

In the impairment testing, a determination is made as to whether a need to recognize impairment exists by comparing the cash-generating unit's carrying amount, including goodwill and other consolidated surplus value, with the recoverable amount. If the carrying amount exceeds the recoverable amount, the carrying amount is written down to the recoverable amount.

Eniro's lowest cash-generating units consist of the operating segments per country, i.e., Local search and Voice, which corresponds to the monitoring that is conducted in both the internal and external reporting. The recoverable amount consists of the value in use. A discount rate before tax has been determined for the respective cash-generating units.

As per June 30, a new impairment test was performed. The test was based on the new business model presented to the Board in December 2017. Eniro has assessed that the market in 2018 will accept the new business model and that growth in Local Search will subsequently gain momentum in the 2019-2021 period, thereafter falling to 2 percent in perpetual growth in 2022. Furthermore in the test for the years following 2018, Eniro has assessed the new business model to be scalable and that the EBITDA margin will increase in pace with growth in sales. Sales growth and scalability constitute material assessments in the impairment test and, should the future outcome deviate from these assessments, the impairment of intangible assets cannot be ruled out.

Against the background of the expected decline in profitability of the Voice business, the impairment test has been updated quarterly to take the shift in cash flows into account. This resulted in the recognition of impairment in Voice Norway of SEK -2 M (-9). Further impairment of goodwill pertaining to Voice is likely, as higher cash flows in real time are replaced by lower future cash flows. Eniro's outcome regarding EBITDA is otherwise in line with the forecast that served as the basis for the impairment test, which is why no further need to recognize impairment of goodwill is deemed to exist.

Discount rate after tax by cash generating unit, %	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
Sweden, Local search	12.49	12.49	12.49
Sweden, Voice	15.60	15.60	15.60
Norway, Local search	11.67	11.67	11.67
Norway, Voice	15.00	15.00	15.00
Denmark, Local search	12.52	**12.52**	**12.52**
Poland, Local search	15.30	**15.30**	**15.30**
Finland, Voice	14.20	**14.20**	**14.20**

Note 6 Events after the balance sheet date

Eniro's bank loans to be replace by bond loan

The Board of Directors and some shareholders of Eniro AB (publ) ("Eniro") have drawn up a financing solution essentially entailing that Eniro's current bank loans will be replaced by a bond loan, and Eniro will simultaneously receive a liquidity injection.

The bonds will initially be subscribed for by Tedde Jeansson through Beata Intressenter AB ("Beata Intressenter") and thereafter offered primarily to Eniro's ordinary shareholders. The bonds will be offered at a substantial discount (approximately 32.87 per cent of the bond loan's nominal value). The discount is made possible by Beata Intressenter's agreement with Eniro's lending banks to purchase the bank loans at a discount. The bond is guaranteed by a guarantee consortium

The financing solution entails that all of Eniro's current bank loans, with a nominal value of SEK 925 million, will be converted into a bond loan with no negative effects on liquidity in the form of repayment or coupon payments until the end of 2021, supplemented with additional financing of approximately SEK 63.75 million. Combined with a possible agreement with the PRI Pensionsgaranti (PRI) regarding secured funds for the company's pension obligations, which is expected to provide Eniro with additional proceeds of approximately SEK 25 million over a period of two years, the best conditions will be created for Eniro to devote its full attention to the company's business in the coming years.

The Board of Eniro also proposes the Extraordinary General Meeting on August 15, to renew the conversion offerings to holders of preference shares or convertible bonds respectively, enabling them to convert their instruments into Class A ordinary shares and thereby participate in the new financing solution by also being able to purchase bonds with priority from Beata Intressenter.

Eniro will publish a prospectus relating to the conversion offerings on August 17 and a prospectus relating to the bond offering on September 3.

Key ratios

	Jun. 30 2018	Jun. 30 2017*	Dec. 31 2017*
Equity, average 12 months, SEK M	716	306	338
Return on equity (ROE), 12 months, %	25.8	-29.4	35.2
Return on Assets (ROA), 12 months, %	9.9	0.9	7.6
Earnings per ordinary share before dilution, SEK	-0.18	-13.45	10.09
Earnings per ordinary share after dilution, SEK	-0.18	-13.45	10.09
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-630	-1,248	-575
Debt/equity ratio, times	0.60	4.69	0.55
Equity/assets ratio, %	33	8	31
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	2.9	4.2	2.5
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times	2.5	3.5	1.9
Average number full-time employees	1,412	1,589	1,492
Number of full-time employees on closing date	1,394	1,521	1,429
Number of ordinary shares before dilution on closing date after deduction of treasury shares, 000s **	66,509	5,284	66,227
Number of ordinary shares after dilution on closing date after deduction of treasury shares, 000s **	66,974	6,821	66,694
Number of preference shares on closing date, 000s	259	1,000	259

Key ratios per share

	Jun. 30 2018	Jun. 30 2017*	Dec. 31 2017*
Equity per share, SEK	15.22	36.12	15.13
Share price for ordinary shares at end of period, SEK [1)]	4.53	7.68	5.40

[1)] Share price at end of period 201706 and 201712 adjusted for new issue of shares and reverse split

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

** During the period, a merger of shares at the 1: 100 conditions has been implemented, so the comparative figures of previous periods have been recalculated

Financial definitions

Eniro presents certain financial measures that are not defined in IFRS. Eniro believes that these measures provide valuable, complementary information to investors and to company management, as they enable assessment of Group's earnings and financial position. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures shall therefore not be regarded as a substitute for the measures defined in IFRS.

Financial IFRS measures

Name	Definition	Calculation
Earnings per ordinary share for the period before dilution	Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period for preference shares, divided by the average number of ordinary shares before dilution.	(Income for the period attributable to owners of the Parent Company – the portion of the approved dividend for the period for preference shares)/ (Average number of ordinary shares before dilution) x 1,000.
Earnings per ordinary share for the period after dilution	Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period for preference shares and interest expenses after tax pertaining to the convertible bond, divided by the average number of ordinary shares after full conversion.	(Income for the period attributable to owners of the Parent Company – the portion of the approved dividend for the period for preference shares + interest expenses after tax pertaining to the convertible bond)/ (Average number of ordinary shares after full conversion) x 1,000.
Average number of ordinary shares before dilution	The average number of ordinary shares outstanding, excluding treasury shares.	Average number of ordinary shares outstanding, excluding treasury shares, calculated on a daily basis.
Average number of ordinary shares after dilution	The average number of ordinary shares excluding treasury shares, adjusted for full conversion of all potential ordinary shares in the convertible bond and warrant program.	Average number of ordinary shares outstanding, excluding treasury shares, calculated on a daily basis + Adjustment for full conversion of all potential ordinary shares in the convertible bond and warrant program.

Financial non-IFRS measures

Name	Definition	Calculation	Purpose
Return on shareholders' equity (%)	Moving 12-month earnings attributable to owners of the Parent Company divided by average shareholders' equity.	(Moving 12-month earnings attributable to owners of the Parent Company)/ (Average shareholders' equity).	Return on shareholders' equity measures the Group's return on the capital the owners have invested in the business and thereby how profitable the Group is for its shareholders.
Return on total assets (%)	Moving 12-month operating income and financial income less exchange rate losses on financial items divided by average total assets.	(Moving 12-month operating income + financial income – exchange rate losses on financial items)/ (Average total assets) x 1,000.	Return on total capital shows the business's effectiveness independent from how the capital is financed. This measure is used to assess whether the Group's business generates an acceptable return on its resources.
EBITDA	Operating income before depreciation, amortization and impairment losses.	Operating income excluding depreciation, amortization and impairment losses. See the calculation in "Reconciliation of operating income and adjusted EBITDA".	EBITDA is a measure of operating income before interest, taxes, depreciation, and amortization and impairment losses and is used to monitor the operating activities. EBITDA is the measure that best coincides with cash flow.
EBITDA margin (%)	EBITDA divided by operating revenue.	(EBITDA/Operating revenue) x 100 See "Calculation of EBITDA margin".	EBITDA in relation to operating revenue is used to measure the profitability of operations and shows the Group's cost effectiveness.
Shareholders' equity per share	Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at the end of the period, excluding treasury shares.	(Shareholders' equity attributable to owners of the Parent Company)/ (Number of shares at the end of the period, excluding treasury shares) * 1000.	Shareholders' equity per share measures the Group's net value per share.

Financial non-IFRS measures, cont.

Name	Definition	Calculation	Purpose
Adjusted EBITDA	EBITDA excluding restructuring costs and other items affecting comparability. Other items affecting comparability include, gain/loss from the divestment of companies, legal expenses from disputes that are not part of ordinary operations, severance expenses for persons in executive management and other major nonrecurring items.	EBITDA excluding restructuring costs and other items affecting comparability. See "Reconciliation of operating income and adjusted EBITDA".	Adjusted EBITDA increases comparability by adjusting for restructuring costs, the effect of acquisitions/divestments and other nonrecurring items.
Adjusted EBITDA margin (%)	Adjusted EBITDA divided by operating revenue.	(Adjusted EBITDA/Operating revenue) x 100. See "Calculation of adjusted EBITDA margin".	Adjusted EBITDA in relation to operating revenue shows a more comparable measure of the profitability of operations and the Group's cost effectiveness.
Operating cash flow	Cash flow from operating activities and cash flow from investing activities excluding company acquisitions and divestments.	Cash flow from operating activities + cash flow from investing activities – company acquisitions and divestments.	Operating cash flow measures the cash flow that is generated before the effects of acquisitions and divestments, and cash flows attributable to the Company's financing.
Interest-bearing net debt excluding convertible bond and pension obligations	Borrowings less cash and cash equivalents and interest-bearing assets.	Borrowings – cash and cash equivalents – interest-bearing assets. See "Reconciliation of interest-bearing net debt excluding convertible bond and pension obligations".	Interest-bearing net debt shows the Group's liabilities to lenders less cash and cash equivalents and interest-bearing assets.
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA	Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA.	(Interest-bearing net debt excluding convertible bond and pension obligations)/ (EBITDA, 12 months). See "Calculation of interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times".	Net debt in relation to EBITDA gives an estimation of the Group's capacity to reduce its debt. It represents the number of years it would take to pay back its loans if net debt and EBITDA were to remain constant, without taking into account cash flow pertaining to interest and tax.
Debt/equity ratio (%)	Interest-bearing net debt excluding the convertible bond and pension obligations divided by shareholders' equity, including non-controlling interests.	(Interest-bearing net debt excluding the convertible bond and pension obligations)/ (Total shareholders' equity).	The debt/equity ratio measures the extent to which the Group is financed by debt.
Equity/assets ratio (%)	Shareholders' equity including non-controlling interests divided by total assets.	(Total shareholders' equity)/ (Total assets)	The equity/assets ratio indicates how much the Group's assets are financed by shareholders' equity. The size of shareholders' equity in relation to other liabilities describes the Group's long-term ability to pay.
Total operating expenses	Costs for production, sales, marketing, administration and product development, excluding depreciation, amortization and impairment losses.	See "Reconciliation of operating expenses"	
Average total assets	Total assets for the last four quarters divided by four	(Total assets for the last four quarters)/4	
Average shareholders' equity	Average shareholders' equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance for each quarter.	(Average shareholders' equity attributable to owners of the Parent Company per quarter (OB+CB)/2 for the last four quarters/4.	

Other measures

Name	Definition	Calculation	Purpose
Average number of full-time employees	Calculated as the average of number of full-time employees at the start and end of the year.	(Average number of full-time employees at the start and end of the year)/2.	

Reconciliation Financial non-IFRS measures

Reconciliation of operating income and adjusted EBITDA

		Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
	SEK M						
	Operating income	22	6	31	-35	52	-14
+	Depreciation/amortization	37	46	76	146	158	228
+	Impairment losses	2	9	2	9	5	12
=	**Total EBITDA**	**61**	**61**	**109**	**120**	**215**	**226**
	Items affecting comparability						
+	Restructuring costs	0	4	1	5	27	31
+	Other items affecting comparability	-1	23	-1	29	9	39
=	**Total adjusted EBITDA**	**60**	**88**	**109**	**154**	**251**	**296**

Calculation of EBITDA margin

		Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
	EBITDA	61	61	109	120	215	226
÷	Operating revenue	363	445	717	877	1,489	1,649
=	**EBITDA margin %**	**16.8**	**13.7**	**15.2**	**13.7**	**14.4**	**13.7**

Calculation of adjusted EBITDA margin

		Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
	Adjusted EBITDA	60	88	109	154	251	296
÷	Operating revenue	363	445	717	877	1,489	1,649
=	**Adjusted EBITDA margin %**	**16.5**	**19.8**	**15.2**	**17.6**	**16.9**	**18.0**

Reconciliation of operating expenses

		Apr-Jun 2018	Apr-Jun 2017*	Jan-Jun 2018	Jan-Jun 2017*	Jul-Jun 2017/18	Jan-Dec 2017*
	SEK M						
	Production costs	-100	-112	-192	-213	-391	-412
+	Sales costs	-123	-144	-258	-304	-529	-575
+	Marketing costs	-26	-32	-53	-118	-104	-169
+	Administration costs	-52	-83	-107	-144	-234	-271
+	Product development costs	-39	-57	-78	-124	-183	-229
+	Deduction of depreciation	3	3	7	5	14	12
+	Deduction of amortization	34	43	69	141	144	216
=	**Operating expenses**	**-303**	**-382**	**-612**	**-757**	**-1,283**	**-1,428**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Reconciliation of interest-bearing net debt excluding convertible bond and pension obligations

	SEK M	Jun. 30 2018	Jun. 30 2017	Dec. 31 2017
	Borrowing	-863	-1,476	-828
+	Finance lease	-9	-11	-10
+	Other current interest-bearing receivables	0	0	0
+	Other non-current interest-bearing receivables[1)]	213	200	212
+	Cash and cash equivalents	29	39	51
=	**Interest-bearing net debt excluding convertible bond and pension obligations**	**-630**	**-1,248**	**-575**

[1)] Included in financial assets. SEK 200 M pertains to pledged bank funds for future pension obligations, referred to as an enhanced pension guarantee. The remaining amount pertains to pledged bank funds as a security for leases in Norway and Finland and as guarantee against Volvo Finans.

Calculation of interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times

		Jun. 30 2018	Jun. 30 2017*	Dec. 31 2017*
-	Interest-bearing net debt excluding convertible bond and pension obligations	-630	-1,248	-575
÷	EBITDA 12 month	215	351	226
=	**Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times**	**2.9**	**3.6**	**2.5**

Calculation of interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times

		Jun. 30 2018	Jun. 30 2017*	Dec. 31 2017*
-	Interest-bearing net debt excluding convertible bond and pension obligations	-630	-1,248	-575
÷	Adjusted EBITDA 12 month	251	387	296
=	**Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times**	**2.5**	**3.2**	**1.9**

* Retrospective restatement of financial statements in accordance with IFRS 15 Revenue from Contracts with Customers

Eniro AB
P.O. Box 7044
SE-164 40 Kista
Sweden

Telephone
+46 8 553 310 00
E-mail
ir@eniro.com

Website
www.enirogroup.com
Corporate identity number
556588-0936